



Number 46/2021

28 October 2021

Monthly Economic Report (As of September 2021)

“The Thai economy in September 2021 showed signs of improvement from the previous month. Private consumption has improved as a result of slowing down in coronavirus outbreak. In addition, Thai exports maintained growth momentum for seven consecutive months.”

Mr. Pornchai Teerawet, Director General of the Fiscal Policy Office, Mr. Wuttipong Jittungsakul, Fiscal Policy Advisor, and Mr. Pisit Puapan, Executive Director of Macroeconomic Policy Bureau revealed the economic report in September 2021 that “The Thai economy in September 2021 showed signs of improvement from the previous month. Private consumption has improved as a result of slowing down in coronavirus outbreak. In addition, Thai exports maintained growth momentum for seven consecutive months.” The details were summarized as follows:

Economic indicators on private consumption showed an improving sign from the previous month as shown by durable goods consumption. Passenger car sales and motorcycle registration in September 2021 decreased slowly by -13.5 and -16.9 percent per year, respectively and increased by 58.1 and 18.7 percent from the previous month after a seasonal adjustment, respectively. Additionally, the Consumer Confidence Index (CCI) improved from 39.6 in the previous month to 41.4 since the relaxation of COVID-19 restrictions caused consumers and businesses spending more money. Meanwhile, the Real VAT collection continued to expand by 8.6 percent per year as a result of increasing in import VAT. However, real farm income also dropped by -5.3 percent per year.

Economic indicators on private investment represented stable signs from the previous month. Machinery and equipment investment is reflected by import volume of capital goods expanding at 13.5 percent per year but contracted by -2.1 percent per month after a seasonal adjustment. Meanwhile, commercial car sales contracted slowly at -20.2 percent per year and increased by 38.7 percent from the previous month after a seasonal adjustment. For investments on construction category, cement sales in September 2021 decreased by -9.5 percent per year and declined by -3.3 percent from the previous month after a seasonal adjustment. Meanwhile, real estate tax collection shrank slowly by -6.0 percent year and increased 3.4 percent from the previous month after a seasonal adjustment.

International trade continued to grow from the same period last year. Thai exports in September 2021 maintained growth momentum for seven consecutive months, reaching 23,036.0 million USD with the growth rate of 17.1 percent. Moreover, the exports of real sector (excluding gold, oil-related products, and weaponry) expanded by 14.8 percent per year. There was an expansion on many export goods as follows: 1) Agricultural and food products, particularly rubber, cassava products, rice expanded by 83.6, 44.4, and 33.8 per year, respectively; 2) ‘Work from home’ products such as computers and parts and home appliances such as microwave ovens, television and parts; 3) COVID-19 related products such as medical devices, pharmaceutical products, were continually ordered; 4) Products related to the manufacturing sector such as steel and its products, chemicals, plastic resins, rubber products, electronic integrated circuits, and machinery and parts; 5) Automobiles and parts continued to grow by 4.9 percent per year. Considering the value of goods export classified by the Thailand’s main trading partners, it was found that the export to the main trading partners continued to improve in almost every market. In particular, the export values to India, ASEAN-5, China, and the United States expanded by 76.1, 25.7, 23.3, and 20.2 percent per year, respectively.

Supply-side indicators showed signs of improvement from previous month. The agricultural sector continued to grow. Agricultural Product Index (API) grew by 4.9 percent per year, due to increasing in rubber, cassava, and corn, but contracted by -2.7 percent from the previous month after a seasonal adjustment. Manufacturing Production Index (MPI) decreased slowly by -1.3 percent per year and increased 8.0 percent from the previous month after a seasonal adjustment. Furthermore, the Thai Industries Sentiment Index (TISI) increased for the first time in six months from 76.8 in August 2021 to 79.0 since the improvement of COVID-19 situation caused the government to relax the control measures. Therefore, economic activities improved and domestic and international demand for industrial products also increased. In the tourism sector, there were 12,237 foreign tourists in September 2021, including the Phuket Sandbox Scheme, the Special Tourist Visa, the Thailand Privilege Card, and the medical travelers. To focus on nationality, the majority of tourists in this month were the United States, Israel, Germany, the United Kingdom and France. The number of Thai visitors in September 2021 reached 2,198,337 persons, decreasing slowly by -80.6 percent per year.

Internal economic stabilities remained favourable. Headline and core inflation in September 2021 were at 1.68 and 0.19 percent per year, respectively. Meanwhile, public debt to GDP at the end of August 2021 stood at 57.0 percent to GDP, lower than the Fiscal Sustainability Framework 2018. External economic stability remained robust reflecting the resilient ability to risk from the volatilities in global economy as the international reserves at the end of September 2021 were high at 244.7 billion USD.

Table 1 Quarterly and Monthly Economic Indicators in September 2021

Economic Indicators	2020	2020				2021					
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Aug	Sep	YTD
External sector											
Dubai crude oil price (US\$/Barrel) /7	42.21	50.73	30.57	42.92	44.62	60.01	67.00	71.42	68.79	72.80	66.14
Fed funds rate (%) /7	0.00–0.25	0.00–0.25	0.00–0.25	0.00–0.25	0.00–0.25	0.00–0.25	0.00–0.25	0.00–0.25	0.00–0.25	0.00–0.25	0.00–0.25
Demand-side indicators											
Private consumption indicators											
Value added tax at constant price (%YoY) /1	–6.8	–0.0	–15.1	–5.1	–6.7	–3.9	22.4	14.3	12.4	8.6	10.2
Sales of passenger cars (%YoY)/14	–30.6	–23.6	–60.2	–30.4	–5.0	–16.7	33.2	–19.2	–35.0	–13.5	–6.7
The number of new motorcycles registrations (%YoY)/13	–10.4	–5.9	–28.1	–2.9	–4.6	1.2	40.5	–21.4	–29.2	–16.9	3.5
Import volume of consumer goods in USD (%YoY) /1	–10.1	–2.2	–16.6	–11.3	–10.6	8.8	25.9	15.6	15.3	18.3	16.2
Consumer Confidence Index (Index) /5	52.6	60.8	48.2	50.4	51.1	48.6	44.6	40.6	39.6	41.4	44.6
Private investment indicators											
Import volume of capital goods in USD (%YoY) /1	–10.3	–3.9	–17.0	–15.3	–4.9	5.4	25.0	22.2	21.6	13.5	17.1
Sales of commercial cars (%YoY)/14	–15.1	–24.4	–44.2	–1.3	11.7	5.9	42.0	–24.9	–40.5	–20.2	2.8
Total taxes collected from real estate transaction (%YoY) /1	–12.9	–17.8	–12.3	–10.4	–11.3	5.0	14.3	–8.5	–8.3	–6.0	2.9
Domestic cement sales (%YoY) /2	–0.5	–4.3	4.0	1.6	–3.1	4.7	1.3	–9.4	–6.8	–9.5	–1.0
Construction material price index (%YoY) /14	–1.8	–2.2	–3.6	–1.7	0.4	4.4	9.7	8.4	8.8	8.6	7.5
International trade indicators											
Exports (Billion USD): custom basis	231.6	62.8	51.7	58.7	58.4	64.1	68.2	67.7	22.0	23.0	200.0
(%YoY)/4	–5.9	1.2	–15.2	–7.7	–2.0	2.1	31.8	15.3	8.9	17.1	15.5
Export price (%YoY)/4	–0.8	–0.4	–2.0	–0.7	0.1	2.1	4.0	3.1	2.9	3.2	3.1
Export volume (%YoY)/14	–5.2	1.6	–13.4	–7.1	–2.1	–0.1	26.7	11.8	5.9	13.5	12.0
Imports (Billion USD): custom basis	206.2	58.2	44.8	48.3	54.9	63.6	66.3	68.1	23.2	22.4	198.0
(%YoY) /4	–12.7	–2.9	–23.7	–19.4	–4.9	9.4	47.9	41.0	47.9	30.3	30.9
Import price (%YoY)/4	–2.0	–0.9	–5.1	–1.5	–0.5	6.1	12.3	10.5	9.3	11.2	9.6
Import volume (%YoY) /14	–11.0	–1.9	–19.6	–18.1	–4.5	2.9	31.6	27.6	35.3	17.2	19.4
Trade balance (Billion USD): custom basis/4	25.5	4.6	6.9	10.4	3.5	0.5	1.9	–0.4	–1.2	0.6	2.0
Supply-side indicators											
Agricultural sector											
Agricultural Production Index (%YoY) /6	–5.9	–12.7	–7.9	–7.1	1.3	2.9	2.3	8.1	12.0	4.9	4.4
Agricultural Price Index (%YoY) /6	6.1	8.7	–1.4	6.3	11.0	9.2	12.7	–4.5	–6.5	–7.6	5.7
Real farm income (%YoY) /14	1.0	–6.2	–6.8	–0.5	12.0	12.1	12.0	1.6	4.2	–5.3	8.6
New employment in agricultural sector(%YoY) /3	–0.1	–3.7	–0.3	–0.1	3.4	–0.1	2.8	n.a.	n.a.	n.a.	2.4
Industrial sector											
Manufacturing Production Index (%YoY) /10	–9.3	–6.7	–20.4	–8.5	–1.6	0.8	20.6	–0.8	–4.7	–1.3	6.1
Import value of raw materials in USD (%YoY) /1	–9.8	–1.5	–19.9	–19.2	2.5	26.3	53.1	53.6	65.7	44.6	43.4
Import volume of raw materials in USD (%YoY) /1	–11.8	–2.7	–21.2	–21.0	–1.2	20.4	44.2	45.3	57.3	36.7	35.7

Economic Indicators	2020	2020				2021					
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Aug	Sep	YTD
Capacity utilization (%) /10	61.0	66.9	52.8	60.4	63.8	67.4	62.7	59.3	57.1	62.0	63.2
New employment in industrial sector (%YoY) /3	-1.0	-1.0	-4.8	0.4	1.6	-0.4	-0.2	n.a.	n.a.	n.a.	-0.3
Thai Industrial Sentiment Index (Index) /9	84.6	90.1	78.1	83.9	86.4	85.3	82.4	78.2	76.8	79.0	82.0
Service sector											
No. of foreign tourists (Million persons) /11	6.7	6.7	0.0	0.0	0.0	0.0	0.0	0.02	0.02	0.01	0.08
(%YoY) /14	-83.2	-38.0	-100.0	-100.0	-99.9	-99.7	100	100	100	100	-98.7
No. of Thai tourists (%YoY)	-46.4	-30.3	-90.6	-38.0	-29.9	-34.4	88.3	-87.8	-92.0	-80.6	-48.6
New employment in service sector (%YoY) /3	1.1	1.3	-1.2	2.8	1.5	-0.6	3.2	n.a.	n.a.	n.a.	1.2
External economic stability											
Average exchange rate (Baht/USD)/2	31.3	31.8	31.7	31.3	30.6	30.3	31.4	33.0	33.2	33.0	31.5
Current account (Billion USD) /2	20.3	11.0	1.6	7.7	-0.0	-2.8	-4.4	-3.0	-2.5	—	-10.2
International reserves (Billion USD) /2	258.1	226.5	241.6	251.1	258.1	245.5	246.5	244.7	252.0	244.7	244.7
Net Forward Position (Billion USD)/2	28.3	34.4	24.5	24.2	28.3	32.7	33.3	32.7	30.2	32.7	32.7
Internal economic stability											
Unemployment rate (%) /3	1.6	1.1	2.0	1.3	1.9	2.0	1.9	n.a.	n.a.	n.a.	1.9
Initial Jobless Claims (% of the total number of social security insurance person under article 33) /15	0.89	0.49	1.22	1.15	0.72	0.77	0.71	0.70	0.71	0.74	0.73
Producer Price Index (%YoY) /4	-1.6	-0.1	-4.1	-1.6	-0.5	0.7	5.4	5.1	4.9	5.3	3.71
Headline inflation (%YoY) /4	-0.8	0.4	-2.7	-0.7	-0.4	-0.53	2.36	0.70	-0.02	1.68	0.83
Core inflation (%YoY) /4	0.3	0.5	0.1	0.3	0.2	0.11	0.44	0.13	0.07	0.19	0.23
Public debt to GDP (%) /1	51.8	41.7	45.8	49.4	51.8	54.3	55.2	n.a.	57.0	—	57.0

Fiscal sector	FY2563	FY2563 Q1	FY2563 Q2	FY2563 Q3	FY2563 Q4	FY2564 Q1	FY2564 Q2	FY2564 Q3	FY2564 Q4	FY2564 Aug	FY2564 Sep	FYTD
Budget expenditure (Billion baht) /1	2,943.9	729.5	813.6	710.4	690.4	938.5	612.9	677.0	783.7	243.5	279.8	3,012.2
(%YoY) /1	5.6	-18.3	21.6	20.4	8.6	28.7	-24.7	-4.7	13.5	39.8	-4.3	2.3
Current expenditure (Billion baht) /1	2,575.9	703.5	750.4	602.8	519.3	865.5	526.2	553.4	638.7	203.6	211.7	2,583.8
(%YoY) /1	7.3	-14.0	31.9	21.1	0.5	23.0	-29.9	-8.2	23.0	60.1	-0.04	0.3
Capital expenditure (Billion baht) /1	367.9	26.0	63.3	107.6	171.1	73.0	86.7	123.6	145.0	39.9	68.0	428.4
(%YoY) /1	-5.0	-65.4	-36.9	16.1	43.7	180.9	37.1	14.9	-15.2	-15.0	-15.6	16.4
Carry-over budget (Billion baht) /1	224.9	80.6	62.8	32.8	48.7	79.8	54.2	26.8	35.8	7.5	22.9	196.5
(%YoY) /1	-11.8	13.9	2.9	-54.0	-6.0	-1.0	-13.7	-18.3	-26.5	-20.7	-23.4	-12.6
Government expenditure (Billion baht) /1	3,168.7	810.1	876.4	743.2	739.0	1,018.3	667.0	703.8	819.5	251.0	302.7	3,208.7
(%YoY) /1	4.1	-15.9	20.0	12.3	7.5	25.7	-23.9	-5.3	10.9	36.7	-6.1	1.3

Source: 1/Ministry of Finance 2/Bank of Thailand 3/National Statistical Office 4/ Ministry of Commerce 5/ The University of the Thai Chamber of Commerce 6/ Office of Agricultural Economics 7/Reuters 8/ The Federation of Thai Industries 9/ The Office of Industrial Economics 10/ Ministry of Tourism & Sports 11/ The Revenue Department, the Excise Department, and the Thai Customs 12/ Department of Land Transport 13/Toyota Motor Thailand Co.,Ltd.14 /Fiscal Policy Office 15/ Social Security Office